



Request for City Council Committee Action from the Department of Public Works

Date: April 29, 2014

To: Honorable Kevin Reich, Chair Transportation & Public Works Committee

Subject: **Public Hearing: Subject matter of an ordinance amending Title 17, Chapter 434 of the Minneapolis Code of Ordinances relating to Streets and Sidewalks to establish the West Broadway Improvement Special Service District.**

Recommendation:

- A. Amend Title 17, Chapter 434 of the Minneapolis Code of Ordinances relating to Streets and Sidewalks to establish the West Broadway Improvement Special Service District.
- B. Approve the business plan for the West Broadway Improvement Special Service District.
- C. Authorize the proper City Officials to negotiate and execute a services agreement with the West Broadway Business and Area Coalition to serve as the district management entity for the West Broadway Improvement Special Service District.

Previous Directives:

- April 11, 2014 Council Introduction of Chapter 434: West Broadway Improvement Special Service District for the purpose of establishing the district.
- March 29, 2013 Council Adoption of the *Self-Managed Special Service District Policy*.

Department Information:

Prepared by: Andrew Carlson, Public Works Project Manager, 612-673-2836

Approved by: _____

Steven A. Kotke, P.E., City Engineer, Director of Public Works

Presenter in Committee: Andrew Carlson, Public Works Project Manager

Reviews

Permanent Review Committee (PRC)	Approval: N/A
Civil Rights	Approval: N/A
Policy Review Group (PRG):	Approval: N/A

Financial Impact

- No financial impact

Community Impact

- Neighborhood Notification: Public hearing notices were mailed to property owners subject to the proposed service charges within the district.
- City Goals:
 1. A hub of economic activity and innovation: Businesses – big and small – start, move, stay and grow here.
 2. Great places: Natural and built spaces work together and our environment is protected
- Comprehensive Plan: consistent

Supporting Information

Background

In 2012, the West Broadway Business and Area Coalition (WBC) board of directors convened a steering committee of local property and business owners to organize and promote the formation of a special service district.

Since that time, the steering committee has engaged business and property owners, community stakeholders, city council representatives, and city staff to:

- Identify the most desired services;
- Develop a proposed business plan describing how the district will be managed;
- Develop a proposed operating plan describing the services the district will provide during its first year;
- Develop a proposed service charge assessment methodology; and
- Organize and submit the statutorily required petition of property owners.

Establishment Procedures and Notices

An ordinance to establish the West Broadway Improvement Special Service District was introduced at City Council on April 11th for its first reading and referred to the Transportation and Public Works Committee. Notices of the public hearing were published in the official newspaper of the city on April 8th and April 25th. A notice of public hearing was also mailed on April 18th to all property owners proposed to be subject to the district's service charges. Pursuant to Minnesota Statute 428A.08, additional procedures are required following adoption of the ordinance.

District Boundaries

The district generally extends one block to the north and one block to the south of West Broadway between Sheridan Avenue North and West River Road. The proposed district map and detailed boundary description are included as an attachment.

Provision of Services

The steering committee has recommended that the district be operated as a self-managed special service district with a district management entity as allowed for under the Self-Managed Special Service District Policy adopted by city council on March 29, 2013.

In a self-managed district, the city establishes a public-private partnership between the city and a district management entity via a contractual services agreement. In general, the roles and responsibilities of each partner are as follows:

The City:

1. Shall enter into a sole-sourced contract with a single non-profit district management entity to provide all direct day-to-day management and operation of the district.
2. Shall use its assessing authority under MN Statute 428A to impose service charges on eligible property within the district. The city shall use these service charges to fund the contract with the district management entity.
3. Shall review and approve an annual operating plan and budget for the district.
4. Shall review and approve a business plan for the district.
5. Shall monitor overall performance of the district's annual operating plans.
6. Shall review the district management entity's financial statements to ensure compliance with annual operating plans and budgets.
7. Shall allocate city staff to coordinate the district's services with on-going city services.

The District Management Entity:

1. Shall provide all direct day-to-day management and operation of the district.
2. Shall be responsible for all administrative management of services contracts including specification, procurement, contract management, vendor oversight and payment.
3. Shall be governed by a management board composed of property owners and business owners within the district.
4. Shall work with property owners and business owners to develop an annual operating plan and budget.
5. Shall develop a business plan describing how the district will be managed.
6. Shall be responsible for communicating and coordinating service delivery with property owners and business owners within the district.

Once authorized, staff will negotiate and execute a services agreement with WBC in accordance with the provisions of MCO Chapter 434 and the city's Self-Managed Special Service District Policy.

District Governance

In serving as the district management entity, the WBC board of directors shall have a minimum of five (5) members. A minimum of three-fifths (3/5ths) of the board of directors shall own property or represent property owner(s) that are required to pay into the district.

The remaining board member positions may include representatives of district stakeholders, including but not limited to, nonprofit, residential and institutional property owners. Multiple board members may not represent or have an affiliation with the same property or property owner(s). WBC shall make best efforts to have board members which represent a cross-section of property owners including, but not limited to, geographic location within the district, property type and property size. A quorum shall be at least 50% of board members plus one and shall be required for all board actions.

District Services

As proposed, MCO Chapter 434 outlines the general categories of services that may be performed within the district. Each fall, the city council will review and adopt the district's proposed operating plan for the following calendar year which will describe with particularity the proposed services and estimated service costs.

District Sunset and Renewal

As recommended in the city's Self-Managed Special Service District Policy, MCO Chapter 434 automatically sunsets at the end of the district's fifth year of services unless it is renewed following the procedures set forth in Minnesota Statute 428A to establish a new district.

Required Petition of Property Owners

The City Attorney's Office has certified that a petition of property owners complying with the requirements of Minnesota Statute 428A.08 has been met.

Public Right of Way Powers and Responsibilities

The city retains all powers, rights and responsibilities for the public right of way. Nothing in MCO Chapter 434 delegates the city's powers, rights and responsibilities to a district management entity.

Recommendation

That the City Council 1) adopt MCO Chapter 434 relating to the establishment of the West Broadway Improvement Special Service District with a sunset date of December 31, 2019 unless the ordinance has been renewed; 2) approve the business plan for West Broadway Improvement Special Service District; and 3) authorize the proper city officials to negotiate and execute a services agreement with the West Broadway Business and Area Coalition to serve as the district management entity for the West Broadway Improvement Special Service District.

Attachments:

- Proposed MCO Chapter 434, West Broadway Improvement Special Service District
- Map of Proposed District
- Proposed Business Plan
- Petition Certification Letter
- Self-Managed Special Service District Policy

CC: CM Blong Yang, Ward 5
Kevin Carpenter, Finance